

Business with a Cause

Corporate Social Responsibility for SMEs in China

Corporate social responsibility (CSR) is generally thought of as an add-on to the operations of large multinational corporations looking to improve their image by donating to worthy causes or organising charity events geared more towards the media than the actual beneficiaries. While this might be true in some cases, a recent report published by the EU SME Centre shows how CSR done right can be much more than a marketing tool and can contribute to both social causes and the performance of a company.

On a basic level a well thought-out, sustainable CSR programme can indeed help alleviate social and environmental problems. Besides improving visibility and sales, it can also serve as a way to identify and minimise compliance risks within a company and its network of partners. Moreover, internal programmes to reduce the environmental impact of a company's operations can significantly cut costs and improve efficiency. Finally, CSR initiatives are great opportunities to network with partners, stakeholders and customers, improve communication and discover new opportunities for cooperation as well as business. Thus, investing in CSR should no longer be seen as a playground for global players, but as a sensible step for any SME looking to strengthen its ties with the community in which it operates.

This article is based on the report “Corporate Social Responsibility for EU SMEs in China”, which is available to [download](#) free-of-charge for European SMEs and intermediaries on the EU SME Centre website. Related resources include:

- A recording of a [webinar on the topic](#)
- A report on [Product Liability in China](#)

For more information on the EU SME Centre and its services, please visit www.eusmecentre.org.cn.

Before spending time and money on a specific project however, SMEs should focus on developing clear goals and a straightforward strategy to reach them. Using scarce resources on something that is not directly related to your core business can only be justified if it is clear from the beginning what the company wants to achieve by investing in the project. The following five tips will help you get started.

1.) Find the right cause

To develop a successful CSR strategy, you need to find the right cause for your company. Start by looking at all aspects of your business in China, from human resources to sales and from office management to your supply chain, to find out where your activities might negatively affect people or the environment and how your company can work effectively towards a solution. Once you have identified an area in which your efforts would be



worthwhile, research it thoroughly to understand the underlying history, the players involved, existing programmes and the most effective strategies for change. This knowledge will help you come up with the best way in which you can contribute to the cause.

2.) Leverage your strengths

Your contribution to the cause should depend largely on the nature of your business. If your company manufactures machinery tools and equipment, find a way to put your engineers to good use. If your speciality is IT, design a website for a charity or organise an IT class for the elderly in your neighbourhood. There are causes that naturally align to certain industries and professions – the better the fit between your company and the cause, the more effective and sustainable your CSR efforts will be.

3.) Find the right partners

Chinese civil society is developing quickly and with it the number of charitable or environmental organisations looking for partners. To make cooperation as smooth as possible, you will have to work closely with your partner(s), so spend some time before you make your choice. Finding one that is as close as possible both physically and 'mentally' will help. So will managing expectations right from the start. Be clear about what you can deliver and what you expect in return. However, keep in mind that organisations such as neighbourhood initiatives or NGOs have their own agenda and don't see themselves primarily as your service provider. Therefore, be ready to compromise.

4.) Involve the whole team

As an SME, you will have to make the most out of what you have. Financial donations will certainly be appreciated by NGOs and other charitable organisations, but providing manpower and expertise is just as helpful and can have additional positive effects. Involving your staff early on will likely generate a number of ideas on worthwhile issues and partners. A personal relationship between your team and your company's CSR efforts will also increase the likelihood of long-term engagement, as working within one's own community is much more rewarding than helping a stranger living far away. Finally, involving your staff will lead to internal improvements as well, as collective action will likely strengthen team spirit and employee satisfaction, which will in turn improve your company's working atmosphere and productivity.

5.) Share the results

Even though improving your company's image should not be your prime concern when engaging in CSR, it would be a waste to keep quiet about your contributions to the public good. Therefore, use all channels available to let your employees, stakeholders and customers know about your achievements. Mailings and dedicated websites are good ways to do so, but social media campaigns will generate the most attention. However, stay humble and truthful – only authentic reporting will lead to positive results, whereas exaggeration and boasting can do more harm than good.





If you are looking for more information on CSR in China, including ideas on where to start and tips on measuring and maximising the return on investment of CSR programmes, [download the full report](#) on *Corporate Social Responsibility for EU SMEs in China* from the website of the EU SME Centre and view the recording of our recent [webinar on the topic](#). For real-life examples of successful CSR by SMEs in China, stay tuned for an upcoming series of case studies, which will be available for download in the coming weeks. Should you have any questions concerning CSR in China, please contact the Centre's in-house business development experts.

